



Senate

General Assembly

File No. 419

January Session, 2013

Substitute Senate Bill No. 945

Senate, April 9, 2013

The Committee on Energy and Technology reported through SEN. DUFF of the 25th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE PAYMENT OF SECURITY DEPOSITS TO MUNICIPAL UTILITIES FURNISHING ELECTRIC, GAS OR WATER SERVICE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) On or before January 1,
- 2 2014, each municipal utility furnishing electric, gas or water service
- 3 shall develop a security deposit plan for new and existing commercial
- 4 and industrial customers that shall include, but not be limited to,
- 5 requirements that such utility shall (1) accept an irrevocable letter of
- 6 credit as an alternative to a cash security deposit when any such
- 7 customer opens an account with such utility, and (2) if any such
- 8 customer provides a cash security deposit when opening an account
- 9 with such utility, accept an irrevocable letter of credit and refund such
- 10 deposit, provided such customer made nondelinquent payments on
- 11 such account for the previous seven years. A municipal utility
- 12 furnishing electric, gas or water service that has an existing security
- 13 deposit plan shall not be required to include in such plan any
- 14 requirement of subdivision (1) or (2) of this section if such requirement

15 is less favorable to the customer than a current requirement in such
16 plan.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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Statement of Legislative Commissioners:

In subdivision (2), "on such account" was inserted for clarity.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which requires certain municipal utilities to develop a security deposit plan for new and existing commercial and industrial customers, has no fiscal impact on the state or municipalities.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sSB 945*****AN ACT CONCERNING THE PAYMENT OF SECURITY DEPOSITS TO MUNICIPAL UTILITIES FURNISHING ELECTRIC, GAS OR WATER SERVICE.*****SUMMARY:**

This bill requires municipal utilities, by January 1, 2014, to develop a security deposit plan for new and existing commercial and industrial customers. The requirement applies to municipal electric, gas, and water utilities.

The plan must require the utility to (1) accept an irrevocable letter of credit as an alternative to a cash security deposit when a customer opens an account with the utility and (2) accept an irrevocable letter of credit and refund the cash security deposit a customer made when opening an account, so long as he or she kept current on the account for the previous seven years. A utility that already has a security deposit plan does not have to include these provisions if they are less favorable to the customer than its plan's current requirements.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 24 Nay 0 (03/21/2013)